FBIS DAILY REPORT

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MEETING WITH CHILEANS RESULTS IN SIGNING OF DECLARATION

Corps Commander, Pastor Talk

PY082154Y Buenos Aires TELAM in Spanish 2122 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (TELAM)--Maj Gen Luciano Benjamin Menendez, commander of III Corps, is in Buenos Aires. The high-ranking military chief arrived at 1720 at the military sector of the Jorge Newberry Airport from Cordoba aboard an army plane. He was met by Air Force Col Julio Cesar Poccione, chief of the air force sector, who accompanied him to the Aeroparque terminal, where he talked for 5 minutes with Foreign Minister Pastor, who was about to travel to Montevideo.

Officers Briefed by Agosti

PY082245Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2235 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (NA)--Air Force Commander Lt Gen Orlando Ramon Agosti, as of 1900, is meeting with the high-ranking officers of the institution at the Condor Building. Agosti is informing them of the events which have emerged regarding the border dispute with Chile, it has been officially reported. Agosti will preside over a meeting with all ranking air force officers tomorrow at 1000.

Meeting of Army Generals

PY082318Y Buenos Aires TELAM in Spanish 2300 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (TELAM)--Army headquarters has reported that Lt Gen Roberto Eduardo Viola will preside over two meetings tomorrow in which all ranking generals will participate. The top-ranking commanders, major generals and ranking brigadier generals will participate in the first meeting, and all ranking generals will participate in the second. The information released by army headquarters also indicates that the meetings will take place during the morning at the Libertador Building.

Admirals Meet

PY090029Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0012 GMT 9 Jan 79 PY

[Text] Buenos Aires, 9 Jan (NA)--It has been officially reported that the outcome of the peace mission of Cardinal Antonio Samore has prompted meetings in the top naval circles. Vice admirals on active duty who had received reports on the outcome of the negotiation by the papal envoy held meetings this afternoon. The Council of Admirals, headed by Navy Commander Adm Armando Lambruschini, will also meet tomorrow for the same purpose.

Communique, Declaration Texts

PY090045Y Buenos Aires TELAM in Spanish 0005 GMT 9 Jan 79 PY

[Text] Buenos Aires, 8 Jan (TELAM)--Argentina and Chile have agreed to request the pope's mediation "with the agreement that the two countries will not resort to force in their mutual relations" and "that they will implement a gradual return to the military positions which existed at the beginning of 1977 and that they will refrain from adopting measures which may alter harmony in any sector."

This is stated in a communique released tonight by the director of press and dissemination of the Foreign Ministry, Air Force Col Antonio Nicotra (ret), who explained that the declaration was signed in Montevideo at 2030 by the two foreign ministers and endorsed by the papal delegate. The Foreign Ministry communique states:

"Cardinal Antonio Samore, the special envoy of Pope John Paul II, on receiving the mediation request formulated by the Argentine and Chilean republics, asks that this request be accompanied by an agreement that the two states will not resort to force in their mutual relations, that they will implement a gradual return to the military positions which existed at the beginning of 1977, and that they will refrain from adopting measures which may alter harmony in any sector.

"The foreign ministers of the two republics, Carlos Washington Pastor and Hernan Cubillos Sallato, give their agreement in the name of their respective governments and, with the cardinal, sign six identical copies.

"Drafted in Montevideo on 8 January 1979."

The following is the declaration signed in Montevideo by Foreign Ministers Pastor and Cubillos and Cardinal Samore:

1. Invited by His Eminence Cardinal D. Antonio Samore, special envoy of Pope John II for carrying out a peace mission accepted by Argentina and Chile, the foreign ministers of the two countries, Carlos W. Pastor and Hernan Cubillos Sallato, have met in Montevideo after analyzing the dispute, taking into consideration:

2. That Pope John Paul II in his message to the presidents of the two countries on 11 December 1978 expressed his belief that a calm and responsible examination of the problem could make to prevail "the demands for justice, for impartiality and for prudence as a secure and stable basis for fraternal coexistence" between the two countries;

3. That in his speech to the College of Cardinals on 22 December 1978 the pope recalled the concern and wishes which he had already made in seeking a way of safeguarding the peace which is intensely desired by the peoples of both countries:

4. That Pope John Paul II expressed the desire of sending his special representative to the capitals of the two countries in order to obtain more direct and concrete information regarding the respective positions and in order to contribute to the achievement of a peaceful outcome regarding the dispute;

5. That such a noble initiative was accepted by the two countries;

6. That having been named for this peace mission, Cardinal Antonio Samore has, as of 26 December 1978, held talks with the highest authorities of the two countries and with their very close aides;

7. That on 1 January, which through a papal decision was chosen "day of world peace," His Holiness John Paul II alluded to this delicate situation and urged the authorities of both nations to follow the path of peace with foresight, equilibrium and courage and achieve as soon as possible the goal of a just and honorable solution;

8. They proclaim that both governments acknowledge through this document their gratitude to His Holiness Pope John Paul II for sending his special envoy, and decide to accept the offer of the Holy See to implement negotiations, and in the belief in giving every value to this willingness of the Vatican, they agree to request that it act as mediator to guide them in the negotiations and assist them in seeking a solution to the dispute, for which the two governments have agreed to seek the method of a peaceful solution which they believe to be most appropriate. To this end they will carefully take into account the positions which have been maintained and developed by the parties in the negotiations which already have been carried out to the Act of Puerto Montt and the tasks emerging from it:

9. The two governments will submit to the Vatican both the terms of the controversy and the background data and criteria which they believe are pertinent, especially those which were studied during the course of the various negotiations, the acts, instruments and projects of which will be placed at its disposal:

10. The two governments declare that they will raise no objection if, during the course of this mission, the Holy See states ideas which emerge from its detailed studies regarding all the disputed aspects of the southern problem with the intention of contributing to a peaceful and acceptable outcome for both parties. The parties declare their willingness to study the ideas which the Vatican may express:

11. Therefore, with this agreement, which is drafted within the spirit of the norms contained in international instruments which tend to preserve peace, both governments join in the concern of Pope John Paul II and consequently reaffirm their will to seek a solution to the pending question through mediation.

Issued in Montevideo on 8 January 1979 with six identical copies having been signed.

For and on behalf of the Argentine Government.

For and on behalf of the Chilean Government.

Videla Delivers Speech

PY090215Y Buenos Aires Domestic Service in Spanish 0030 GMT 9 Jan 79 PY

[Message to the nation delivered on 8 January by President Jorge Rafael Videla--presumably live]

[Text] Fellow Argentines:

From the time of its independence, Argentina has had the South Atlantic as its natural border, while Chile has had identical rights over the South Pacific Basin. This is what our forefathers understood and what they agreed on when they signed the documents which regulate our countries' respective jurisdictions. This is what has been acknowledged by the international community and what Argentina continues to uphold. This is the just, mature and moderate position which the Argentine Government is defending and will continue to defend. This is the political, historical and georgraphical principle which regulates our sovereign relations in the southern area of the continent.

In view of these principles, Argentina has confronted the dispute in the southern region calmly and firmly. It was in this manner that with the signing of the Puerto Montt agreement our two countries agreed to hold negotiations for the purpose of arriving at a definitive, just and honorable solution. But it must be categorically stated that at a critical time in these negotiations it is the opportune intervention of His Holiness John Paul II, with his spiritual and apostolic force, which has facilitated the continuity of these negotiations to overcome this problem.

It is proper, therefore, to acknowledge and praise in its important meaning the untiring and always positive task of His Eminence Msgr Antonio Samore, who, through his constant work, has contributed to the rapprochement of the two parties.

From the beginning of these arduous negotiations, the national government has counted on the support of all Argentines. This support has been demonstrated in the unity of position behind a great ideal and in the awareness of a specific destiny expressed by the most diverse Argentine sectors. This was the categorical answer of the Argentine people. Moreover, the armed forces assumed their role with self-denial and sacrifice by offering full proof of their total desire to serve the fatherland within the framework of unrelinquished national decision. We had then, as in the best moments of our history, a complete and solidary union of the entire Argentine nation, supporting with absolute trust the position upheld by the national government.

Once again Argentines have shown that unity and joint effort can overcome everything no matter how great the obstacles and difficulties to be confronted. The fatherland, on its feet and struggling, was able to give the right answer that the situation demanded. This is why we have acted at all times with complete calm and with the assuredness of interpreting the aspirations of a mature nation capable of assuming its commitments before history in a responsible manner.

Today at the end of extensive negotiations, Argentina and Chile have decided to submit the dispute over the southern region to the mediation of his holiness. The stage which now begins constitutes an important step to approximate the positions of our two countries in order to arrive at a dignified and permanent solution. We look into the future with hope. We trust that the wisdom and dedication of his holiness will help to find those formulas which will strengthen the principles of justice, prudence and equality required by the final solution.

In view of this new historic perspective which we are now confronting, let all Argentines know that their most sacred rights are in the hands of men who know their duties to the fatherland. May all Argentines know, and all those who are following the development of this process, that Argentina is not encouraged by a desire for territorial expansion at the expense of the sovereign integrity of anybody. But let everybody know, too, that we are conscious of our responsibilities and our duty to safeguard our fatherland inherited from our forefathers. Our honor and our reason for being a free and sovereign nation are involved in this.

This petition which was agreed on in Uruguay may be decisive for the future unity of our continent. May God Our Lord guide all minds in being able to find the path of harmony and justice through the fraternal embrace of our two nations. So be it.

Pastor, Samore Return From Montevideo

PY090156Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0130 GMT 9 Jan 79 PY

[Text] Buenos Aires, 8 Jan (NA)--The presidential plane T-02 carrying Foreign Minister Carlos Pastor and papal envoy Cardinal Samore arrived at 2230 at the metropolitan airport from Montevideo.

Videla To Meet With Samore

PY090145Y Buenos Aires TELAM in Spanish 0010 GMT 9 Jan 79 PY

[Text] Buenos Aires, 8 Jan (TELAM)--President Jorge Rafael Videla will meet tomorrow with papal envoy Msgr Antonio Samore. The audience will take place at 1000 at government house, the public information secretariat reported tonight.

Samore to Rome

PY081535Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1525 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (NA)--The pope's envoy, Cardinal Antonio Samore, will return to Rome tomorrow at 1540. Diplomatic sources reported that Samore will leave Ezeiza International Airport on Alitalia flight 577.

DISAPPEARANCE OF LA SEMANA MAGAZINE JOURNALIST DENOUNCED

PY082208Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2156 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (NA)--The Perfil Inc publishing house has denounced the disappearance of journalist Jorge Alberto Fontevecchia, director of LA SEMANA magazine. Fontevecchia, 22, was last seen on Friday at 2130, when he left the offices of the publishing house for his home.

EURICO REZENDE SPEAKS IN FAVOR OF LIMITED AMNESTY

PY041940Y Buenos Aires LATIN in Spanish 1454 GMT 4 Jan 79 PY

[Excerpt] Brasilia, 4 Jan (LATIN)--Eurico Rezende, the brand new government leader in the Senate, has stated that he is in favor of a restricted political amnesty which could be brought about by a congressional initiative. Rezende, recently chosen by future President Gen Joao Baptista Figueiredo as leader of the official party in the Senate, said that an unrestricted and general amnesty "is against national consciousness." Nevertheless, he supports a restricted political amnesty which would include those who robbed banks but who did not cause any deaths.

FIGUEIREDO REPORTEDLY TO GRANT POLITICAL AMNESTY

PY051946Y Buenos Aires LATIN in Spanish 1759 GMT 5 Jan 79 PY

[Text] Brasilia, 5 Jan (LATIN)--According to his adviser, Deputy Nelson Marchezan, Gen Joao Baptista Figueiredo will grant a political amnesty after he is installed as president.

In remarks to the press, Marchezan maintained that Figueiredo favors a political amnesty, one which will be as extensive as possible but, however, not unrestricted. He remarked that for the next government, which is to be installed on 15 March, every measure for democratic improvement has priority interest. He indicated that the amnesty will not include certain types of crimes which have little or nothing to do with political activity, such as bank robberies.

According to the deputy, who has been chosen by Figueiredo as majority leader in the Chamber of Deputies for the next period of legislative sessions, the amnesty must be implemented in record time.

ITAMARATY NOT TO OFFICIALLY SEEK RELEASE OF GIRL IN URUGUAY

PY052035Y Paris AFP in Spanish 1624 GMT 5 Jan 79 PY

[Text] Brasilia, 5 Jan (AFP)--Foreign Ministry spokesman Luis Felipe Lampreia reported here today that the Brazilian Government will make no official approach to the Uruguayan Government to obtain the release of Brazilian citizen Flavia Schilling.

The official remarked that a direct and formal action by the Brazilian Government in favor of Schilling could be interpreted by Uruguay as interference in its internal affairs.

Nevertheless, Lampreia admitted the possibility that other measures could be adopted in favor of the young Brazilian who has been in detention for 6 years in the Uruguayan prison of Punta Rieles.

If the Brazilian Government excludes a formal approach, the same does not apply to a friendly one which could be made in accordance with the circumstances, the official remarked.

Lawyer Decio de Freitas, Schilling's defense counsel, met yesterday with Foreign Minister Azeredo da Silveira and requested direct action by the Brazilian Government in favor of the young woman.

After the meeting, the lawyer told reporters that despite not having the Brazilian Foreign Ministry's promise of asking for the release of the girl, he believes that she could be released during Silveira's tenure, which expires on 15 March.

ARGENTINE COMMENT ON PARAGUAYAN PEACE EFFORTS CRITICIZED

PY081636Y Santiago Chile Domestic Service in Spanish 1000 GMT 8 Jan 79 PY

[Rafael Pisainer commentary]

[Excerpts] Our Paraguayan brothers had their "ears pulled" by Argentina when a Foreign Ministry spokesman viewed as "unconsulted and untimely" the alleged Paraguayan negotiations with the United States to seek an agreement between Chile and Argentina. This report was published by the Buenos Aires newspaper LA PRENSA, which noted that Paraguayan Ambassador to the United States Mario Lopez Escobar has reportedly conducted negotiations with the Carter administration so that the United States would exert pressure on Chile and Argentina in order to promptly reach an agreement.

The Argentine Foreign Ministry spokesman has censured and criticized the Paraguayan action, noting that since Monsignor Samore has been trying to promote rapprochement--and the United States is fully informed of th[illegible]dinal's actions--the Paraguayan action is both "unconsulted and untimely."

Although any effort to promote peace, such as the Paraguayan action, should be welcomed, the Argentine Foreign Ministry does not seem to share this viewpoint, at least at this moment.

TRUCKS STRANDED BY CLOSURE OF ARGENTINE BORDER

PY041345Y Paris AFP in Spanish 0255 GMT 5 Jan 79 PY

[Excerpts] Osorno, Chile, 4 Jan (AFP)--It has been reported in this city, 950 km south of Santiago, that about 700 trucks are delayed in the border pass of Puyehue because of the closing of the Chilean-Argentine border. This measure was taken 3 weeks ago by the Argentine military authorities due to maneuvers of the armed forces stationed a few kilometers from the Chilean border. Truck owners have stated here that they have suffered large economic losses.

The closing of the border is one of the consequences of the Chilean-Argentine border conflict over the Beagle Channel in the south, diplomatic sources have said here.

1978 INFLATION RATE DOWN TO 30.3 PERCENT

PY041330Y Santiago Chile Domestic Service in Spanish 1000 GMT 4 Jan 79 PY

[Excerpt] Sergio Chaparro, director of the National Statistics Institute, has reported that the inflation rate in 1978 was only 30.3 percent. He added that the inflation rate for December 1978 increased by just 1.5 percent. Furthermore, he said everything indicates that the 15-percent goal for 1979 established by the economic team will be fulfilled. He noted that in 1977 the inflation rate was 73.5 percent, and this means that in 1978 inflation decreased to less than half of the previous year. This shows that inflation is being curbed.

BRIEFS

PESO READJUSTMENT--Santiago, Chile, 29 Dec (AFP)--It was reported here today that the Chilean peso will be readjusted 14.76 percent in proportion to the U.S. dollar during 1979. The percentage is similar to the inflation rate estimated for next year. During next year the exchange rate for the U.S. dollar will fluctuate between 33.97 and 38.96 pesos. [Paris AFP in Spanish 0045 GMT 30 Dec 78 PY]

SUSPECT DENIES ANY CONNECTION IN CALDERON'S MURDER

PA081910Y Quito Voz de los Andes in Spanish 1230 GMT 8 Jan 79 PA

[Text] Quito--Several of the suspects in the murder of political leader Abdon Calderon Munoz have made contradictory statements concerning the case.

Lawyer Abel Salazar, charged with being the organizer of the plot, denied having any connection with the conspiracy, contradicting the charges made by confessed slayer Guillermo Mendez, who linked Salazar to the attempt.

Likewise, political security agents Humberto Rivera and Walter Leon have declared their innocence in the attempt. Rivera denies having taken Mendez out of Guayaquil when the police were after him. He admits, however, that Salazar had introduced him to Mendez and the others involved, including Osvaldo Garcia, who is suspected of having fired several shots during a meeting. [as heard]

Mendez' girlfriend Nelva Novoa has corroborated the testimony of Mendez, who has confessed his participation in the criminal attempt. She said it was Rivera who drove the vehicle that took Mendez out of Guayaquil a few days after the attempt.

COMPLAINT FILED AGAINST U.S. FISHING BOAT

PA051458Y Quito Voz de los Andes in Spanish 1230 GMT 5 Jan 79 PA

[Text] The U.S. registered (Sylvia Ann) fishing boat has destroyed a tuna fishing net of the Ecuadorean registered Maria de Lourdes fishing boat, damaging its costly equipment and forcing it lose about 30 days for repairs. The company which owns the vessel estimated that the losses amount to more than 2.5 million sucres.

Agustin Jimenez, president of the national association of fishing boat owners, has denounced the case to the president of the Supreme Council of Government, the foreign and natural resources ministers, and the navy commanders. He demanded that the U.S. ship be seized so that an explanation may be obtained for the damages caused. Jimenez also asked that a protest be filed before the U.S. Government.

CEPE CHIEF SAYS OIL RESERVES TO LAST 15 YEARS

PA071523Y Quito Voz de los Andes in Spanish 1230 GMT 7 Jan 79 PA

[Text] Lt Col Luis Jativa, general manager of the Ecuadorean State Petroleum Corporation [CEPE], has said that the country's present oil reserves will last 15 years. Jativa explained during a news conference in Manta that the current exploitation level in Ecuador's eastern region is 215,000 barrels a day. He said that there has been an increase of 15,000 barrels a day in the last few days because 3 more wells drilled by CEPE have gone into operation.

Jativa added that the exploitation of oil deposits is being maintained at a rational level and that, under this rational policy, Ecuador should be able to continue exploiting crude in its eastern region for 15 more years. He said, however, that CEPE is continuing seismographic and geological studies in vast areas of the eastern region.

Jativa said that Ecuador's total oil production, excluding the percentage earmarked for refining in the country, has been sold until March. He said that the price increase decreed by OPEC has been taken into account in this sale.

LA TRIBUNA DISCUSSES BANNING OF JEHOVAH'S WITNESSES

PY051912Y Asuncion LA TRIBUNA in Spanish 5 Jan 79 p 5 PY

[Editorial: "A Serious Decision"]

[Text] A decree has been approved which cancels the legal capacity and prohibits the activity throughout Paraguay of a religious organization which goes by the name of Jehovah's Witnesses.

Among the legal bases for this government decision is the fact that this religious sect does not fulfill what is established in Article No 70, which in its last part states: "No one will be able to appeal to his beliefs to avoid fulfillment of the law or to obstruct the rights of others." Other articles which are also mentioned are Articles 123 and 125, which establish that individuals must uphold the constitution, national laws and the obligation to fight in defense of the fatherland and enlist in the military service. Violations of the law also include Article No 4, which establishes the symbols of the fatherland. Apparently, and judging from the reasons included in the clauses of the decree, the members of this sect, for reasons of principle, do not admit service in the armed forces or respect for patriotic symbols.

Both of these justifications, however, have conflicting aspects, primarily because the religious sect which has been punished with the cancellation of its legal capacity and the prohibition of its activities bases its beliefs on Moses' commandments, which are categorically upheld by the Holy Roman Catholic Church, which is precisely our country's official religion.

The official decision, furthermore, includes other aspects which must be carefully studied. In fact and from an official point of view, it is very strange that this sect--which, on the basis of the legal capacity granted by law, publicly organized its cult in making costly investments in buildings which are open to the public--should have been granted this legal capacity in the first place. Is it perhaps possible that at the time agreement was reached without much study to grant legal capacity to a sect whose postulates are contrary to the public order of the state? Would then the officials who advised that this legal capacity be granted not be subject to an investigation or a proceeding?

Moreover, the nature of a decision concerning such a delicate matter, as is everything that deals with the freedom of thought and consequently with the freedom of cults--something which is also protected by the constitution--seems to justify many doubts which must be explained to the public. This deed leads us to consider the time itself in which this decision was approved. It is hoped that government advisers carefully review this case because two events which must be necessarily related to the adopted measure were taking place at precisely the same time the measure was approved: on one hand, the efforts carried out at the international level by several Christian churches in favor of unification; and, on the other, the shock caused to the world by the fanatical, insane, collective suicide in Guyana. It must be supposed that the decision in connection with these events in one way or another will create reactions beyond our borders and beyond all possibility of control.

In other words, the decision will generate commentaries regarding our country. And, as we have already stated, it is hoped that the issue was duly studied since it carries with it notable risks.

In any event and from any point of view it seems necessary to give a responsible explanation at the official level of the bases which led to the approval of such a serious decision in order to erase any doubt about its nature and for the peace of mind of everyone.

ARMY TAKES ACTION TO CONTROL ANNOUNCED STRIKE

PA082225Y Madrid EFE in Spanish 2025 GMT 8 Jan 79 PA

[Excerpts] Lima, 8 Jan (EFE)--Light army tanks began to patrol the streets of Lima on Monday, initiating action to control the 72-hour nationwide strike announced for tomorrow, Tuesday. Troops and light tanks have surrounded the Palace of Justice in Lima, where workers have declared a strike for an indefinite period. In addition, it was learned that the army will take control of the food supply in Lima, guarding trucks which bring food to the Peruvian capital.

Reports received in Lima today indicate that a strike scheduled to take place in Loreto, a department in the Amazon Jungle which provides a large part of the country's oil, did not take place. The strike had been announced for today.

Residents of Iquitos, the capital of Loreto, are demanding that the government pay more attention to their problems. Army troops are controlling the Amazonian capital. The area is still producing 130,000 barrels of oil of the 180,000 barrels which the country produces daily.

DRIVERS FEDERATION CALLS OFF PLANNED STRIKE

PA081530Y Paris AFP in Spanish 1441 GMT 8 Jan 79 PA

[Text] Lima, 8 Jan (AFP)--It was reported here that the Peruvian Federation of Drivers [FCHP] last night called off the 24-hour strike scheduled for today to protest the increase in fuel prices and the high cost of living.

The strike by urban drivers was to have been the first sign of the 72-hour general strike which will be launched tomorrow by the Communist General Confederation of Workers of Peru, supported by other labor sectors.

In its communique, the FCHP noted that the strike was called off because of "the suspension of individual guarantees and the state of emergency" prevailing in the country.

After reiterating its disagreement with the increase in the price of gasoline and the high cost of living, the document asks the government to solve the serious problems affecting the FCHP.

The FCHP reported that the communique was signed by Teodoro Guzman, under secretary general, because Secretary General Felipe Villasante is under arrest.

CHILEAN, ARGENTINE MINISTERS REACH AGREEMENT IN CAPITAL

Chilean Foreign Minister Arrives

PY082000Y Buenos Aires LATIN in Spanish 1947 GMT 8 Jan 79 PY

[Text] Montevideo, 8 Jan (LATIN)--Chilean Foreign Minister Hernan Cubillos arrived here at 1738 (1938 GMT) for the signing of the basic documents which have emerged from the peace mission of the pope's envoy regarding the Argentine-Chilean border dispute in the southern area of the continent.

Samore's Arrival Noted

PY082127Y Buenos Aires LATIN in Spanish 2115 GMT 8 Jan 79 PY

[Text] Montevideo, 8 Jan (LATIN)--The pope's envoy, Cardinal Antonio Samore, arrived here at 1853 (2053 GMT) to conclude the first stage of his peace mission regarding the Argentine-Chilean southern border dispute. Samore, who arrived on a Uruguayan Air Force plane, is accompanied by Carlos M. Romero, the new Uruguayan ambassador to the Vatican.

Arrival of Argentina's Pastor

PY082134Y Paris AFP in Spanish 2128 GMT 8 Jan 79 PY

[Text] Montevideo, 8 Jan (AFP)--Argentine Foreign Minister Carlos Pastor arrived in Montevideo at 1915 (2115 GMT) to participate in the tripartite meeting on the Beagle dispute.

His Chilean colleague and the pope's special envoy, Cardinal Antonio Samore, are already here. Pastor was met at the Montevideo air force base by Uruguayan Foreign Minister Adolfo Folle-Martinez. The tripartite meeting will take place tonight, but the time has not been announced.

Cubillos, Pastor Meet With Samore

PY082229Y Paris AFP in Spanish 2209 GMT 8 Jan 79 PY

[Text] Montevideo, 8 Jan (AFP)--The Chilean and Argentine foreign ministers, Hernan Cubillos and Carlos Pastor, respectively, held their first meeting in Montevideo with the pope's envoy, Cardinal Antonio Samore, at 1945 (2045 GMT) today at the nunciature. This is preliminary to the meeting at Taranco Palace, where the tripartite negotiations will be held.

Latin American ambassadors, among them Antonio Correia do Lago from Brazil, ministers and government advisers were arriving this evening at Taranco Palace to greet the guests of the Uruguayan Government.

Agreement Signed

PY082348Y Buenos Aires TELAM in Spanish 2335 GMT 8 Jan 79 PY

[Text] Buenos Aires, 8 Jan (TELAM)--At 2013 (Argentine time) in Montevideo the Argentine and Chilean foreign ministers and the papal envoy signed "an agreement that the two countries will not resort to force in their mutual relations, that they will implement a gradual return to the military positions which existed at the beginning of 1977, and that they will abstain from adopting measures which may alter harmony in any sector."

"We must not forget that this party is in a stage of full consolidation and formation from the organic point of view," Castillo added.

"In the days to come, the training seminars at all levels will continue in various parts of the country. Representatives of the organizing committees in each province are already campaigning at the different levels in order to strengthen the party's organic structure," Castillo said.

Regarding the number of members set by the electoral law, the PRD spokesman said that he respects the opinion of the parties which consider 30,000 to be a large number. "However," he said, "I would like to note that there were previous discussions on the subject in which each group could express its opinion, and we seek nothing less than to have all forces participate--all forces which can serve a truly electoral and political purpose. We have simply started our political machinery in order to achieve that which was agreed upon by the different parties which participated in those discussions with which the public is familiar."

"The Christian Democratic Party has planned a meeting of its national directorate in order that, in no more than 15 days, it may evaluate the national situation and make decisions in this regard," Jose Antonio Sossa R., assistant secretary general of that party, told this paper in reponse to a question as to whether the party would seek registration in the coming electoral process.

"Ever since the political opening began, with the debate over the Torrijos-Carter treaty, the Christian Democrats have made an effort to promote a united democratic political front with the conviction that this is the proper and indispensable mechanism to channel our fatherland along the paths of national reconstruction required in view of the economic stagnation in which 10 years of looting, arbitrariness and violation of the rights of Panamanians have submerged us" he added.

"This united effort," Sossa said, "which was not successful with regard to the treaties, was again attempted by us in our initiative in organizing the Hallar Dale meeting in Miami with the participation of political leaders who were exiled from the fatherland."

"Later, we continued the same strategy, to reactivate other national political organizations, concluding with our enthusiastic united reception of Dr Arnulfo Arias Madrid and his tour throughout the republic. It is noteworthy that during the process of elections of corregimiento representatives we also attempted to promote a common position among the political parties."

"Now, with the government's call for the registration of parties, our behavior is consistent with the same united strategy which I have just sketched for you," Sossa continued.

"We have expressed to the other democratic political parties our belief that it is necessary to establish a common front to take on the arduous task of national reconstruction. We have also stated that we are aware that the individual initiative or action of each of those who should forge that political front, without the concourse of the other parties, immediately affects the action of the others. It reduces the possibilities of common action without prior debate and affects the development of future national political events."

Regarding the number of 30,000 members established by the electoral law, the Christian Democratic spokesman said: "Thirty thousand citizens in conditions of equal opportunity and democratic guarantees is not impossible for a party such as the Christian Democratic Party, which has continuously given, over 20 years, proof of its commitment to the people, peasants, workers, students, professionals and all those Panamanians commited to economic development in freedom and social justice."

To curb the existing tendency toward the politicization of the judicial branch, Dr Herrera Campins plans to definitely establish the judicial career.

During his administration President-elect Luis Herrera Campins will create a number of "sectorial cabinets" which will look into problems concerned with politics, defense and security, social endeavors, culture, economy, physical development and the organization of the territory. These "sectorial cabinets" will study and coordinate those matters whose implications exceed the limits of ministerial duty.

In accordance with the president-elect's intentions, the "sectorial cabinets" will leave for the consideration of the Ministerial Council only those issues assigned to it under the constitution and the laws.

Moreover, the decentralization of presidential power will give the ministers more autonomy, a fact which implies a reevaluation of the ministers' image.

RADIO COMMENTATOR SCORES SPECULATORS' GREED

PA081810Y Caracas Radio Continente Network in Spanish 1000 GMT 8 Jan 79 PA

[Juan Manuel Alvarez commentary]

[Text] The inflationary phenomenon which constitutes one of the most serious problems affecting the world in general, and consumers in particular, and which causes critical harm to the middle and labor classes is the result of the mishandling of consumer products.

The international capitalist power, or at least its spokesmen, attribute the local price increases to rising oil costs, while the oil-producing countries blame the suppliers for the continued indiscriminate price increases of the manufactured products.

There is a local factor, however, that seriously affects the mass consumer products. That factor is speculation, which is constantly denounced by the media. Despite the government's restrictive measures to halt speculation, however, the producers and merchants as well persist in their determination to obtain greater profits day after day, invoking seemingly unobjectionable economic reasons.

Today, a movement is underway that seeks a revision and readjustment of price levels for the express purpose of helping producers and middlemen. A price increase in gasoline and other oil byproducts seems imminent. Urban transportation departments are creating problems for the provinces because they consider it convenient to raise fares. The cement price increase has prompted the construction sector to consider it indispensable to raise the price of housing. Farmers also want substantial increases for their products in the market.

All of the above constitute an escalation process that will most certainly bring on unpredictable consequences. The new government, which starts its term on 3 March, will be confronted with serious difficulties because of this situation.

These problems, however, should not be the sole cause of concern to us. What should really cause us to reflect deeply is the drama of the Venezuelan family, mainly those members with an insufficient income who are forced to carry a heavy burden because of the excessive ambition of speculators.

If the inflationary uptrend continues and excessive ambitions and speculation go unchecked, it will be impossible to predict the future reaction of people driven to desperation.

RIGHTISTS ATTACK CUBAN EMBASSY, BURN CASTRO IN EFFIGY

PA090334Y Panama City Circuito RPC Television in Spanish 0300 GMT 9 Jan 79 PA

[Text] Following a mass in the Don Bosco Church, some 1,000 persons of the ultrarightist God and Panama Movement went to the Foreign Ministry today where they held a meeting to protest against what they called communist penetration in Panama through the Cuban Embassy and a Soviet trade mission which is to be established here. The demonstrators carried posters saying "No to Communism," "Yes to Democracy" and "Down with the Russians."

Orators at the meeting where Juan Carlos Voloj Pereira, Rafael Fernandez Lara, Lucrecia Herrera Cossadeli and an unidentified woman who claimed to represent the Kunas of San Blas. The orators criticized the government for accepting a Soviet trade mission and said that Russia is an immense prison. After the meeting they went to the Cuban Embassy at the other end of the plaza where they burned what they described as an effigy of Cuban President Fidel Castro. The demonstrators hurled stones and containers of red, green and blue paint which dirtied the walls of the Cuban Embassy building. The demonstrators then sang the national anthem and withdrew.

Several National Guard patrol cars appeared during the final stage of the demonstration against the Cuban Embassy, but no one was arrested. In addition, a firetruck from the Ricardo Arango fire station arrived on the scene.

The demonstrators said that they will stage other demonstrations to manifest to the world their repudiation of communism. The stones broke some of the windows of the embassy, and the walls on the Plaza Porras side of the building are stained with paint.

COLUMNIST SEES ANTICOMMUNISTS BEHIND WALL SLOGANS

PA090156Y Panama City CRITICA in Spanish 8 Jan 79 p 8 PA

[From "Those Who Merit Comment" column by CRITICA Director Ruben Dario Murgas: "The Anticommunists Are Yelling 'Long Live the Reds']

[Text] Diverse and strange groups went about early last Saturday morning painting disturbing messages and slogans which carried the signature of the People's Party.

Commercial buildings and private homes, especially foreign banks, but particularly those owned by a U.S. firm, were the target of the sign-painting spree.

The first reaction from the people who were touring the bars and in squares was to condemn and disapprove, not just what had been done to the buildings, but the action carried out by the "Reds," which they termed as an open provocation.

Other groups thought the People's Party was trying to take advantage of the situation to find out if it is true that there is a climate of democracy in Panama with respect for all ideas, particularly now that efforts are being made to have all groups participate in registering as political parties.

Contrary to this, other sectors termed the "moderate left," which have ties with the People's Party, considered these slogans and messages and the way the city was smeared nothing less than provocation and adventurism.

It was even said that this action, which met the disapproval and criticism of diverse circles, was an elaborate plan carried out by the anticommunists with clocklike precision in order to topple the October revolutionary process so that multiple provocations and destablizing mechanisms could be created against President Royo's constitutional government.

It was also said that the smearing of buildings, banks and stores with slogans attributed to the People's Party was decided by top anticommunist circles immediately after they were publicly disappointed by Panama Archbishop Msgr Marcos McGrath, who firmly refused to officiate at a public mass which would conclude in a picketing demonstration in front of the Foreign Ministry and finally with actions against the Cuban Embassy which would have had unforeseen results.

The people who had been in bars and in public squares were surprised by the way in which those painting the slogans were openly doing their jobs as if trying to provoke an incident with the authorities.

Other sectors, referring to the smearing of the city, said that the action was being carried out not just as the anticommunist group "God and Panama" is promoting all sorts of actions to get the people's attention, but at a time when progressive sectors are engaged in organizing the 9 January commemoration in a peaceful and united manner in which representatives from the revolutionary government have promised to participate.

Finally, everything seems to indicate that this has been a well orchestrated plan in which the most backward U.S. groups opposed to Carter, the traditional and irreconcilable enemies of the Panamanian revolutionary process, unprincipled ultras, and so-called revolutionaries and adventurers have joined efforts to try to show falsely and abjectly that there is a big Red cross in Panama.

No one can be deceived, not even the most naive, as to what is behind this plan.

SOCIALIST REVOLUTIONARY MOVEMENT POLITICAL GROUP ESTABLISHED

PA081640Y Panama City Radio Hogar in Spanish 1230 GMT 8 Jan 79 PA

[Text] A new political group has been formed in Panama. It is called the Socialist Revolutionary Movement [MSR]. Last week it issued a communique to announce its platform.

The MSR will struggle for a lower cost of living and [words indistinct] austerity, which it considers a government lie. It will also struggle against Law 95 as well as for the right to housing and adequate transportation for all Panamanians, the right to health, land for the peasants, true fiscal reform, equal status for women, better education and opposition to the Torrijos-Carter treaties. The communique of the new political group has given rise to much comment in Panama.

NEW SOVEREIGN ACTION PARTY DEFENDS CANAL TREATIES

PA090257Y Panama City CRITICA in Spanish 8 Jan 79 pp 1, 5, 11 PA

[Excerpt] A new party emerged on the afternoon of 1 January 1979. It is provisionally called the Sovereign Action Party of Panama [Partido Accion Soberana de Panama--PASP]. Its president, also provisional, is Alvaro Menendez Franco.

The PASP's main goal will be--and this is not provisional--to "struggle for the fulfillment of the Torrijos-Carter treaty." Therefore, there will be no reason for it to exist after the year 2000. This means that PASP will last exactly 21 years.

It is possible that PASP is not thinking of registering for the elections. If we bear in mind its solid base of action, however, many people who are tired of the same old parties and especially of certain everlasting leaders might join the PASP, and it might turn into a truly national force. In addition, we must realize that it is the party advocating the defense and fulfillment of the canal treaty which is "the religion that unites the Panamanians."

LIBYAN YOUTH SECRETARY ARRIVES ON VISIT

PA082008Y Havana International Service in Spanish 1800 GMT 8 Jan 79 PA

[Text] Muftah Ku'Aybah, Libyan youth secretary and head of a delegation from that country visiting Panama, has expressed his solidarity with the struggle for full sovereignty over the so-called Canal Zone. He also expressed the interest of his government in increasing economic and cultural relations with the isthmian nation. The Libyan delegation arrived in Panama City from Havana, where it participated in the Cuban revolution 20th anniversary celebrations.

POLITICAL LEADERS DISCUSS POSSIBLE PARTY REGISTRATION

PA081236Y Panama City LA ESTRELLA DE PANAMA in Spanish 7 Jan 79 pp 1, 32 PA

[Interview with representatives of four political organizations to discuss the 30,000-membership minimum quota required by law for registration of political parties]

[Excerpts] David Samudio A., president of the Liberal Party, in response to a question as to whether his party would seek registration, said: "I cannot answer your question since it is up to the national directorate of the party to approve the registration. The directorate will meet this month to make a decision."

Regarding the 30,000-member quota established by the electoral law, Samudio said that it is not easy to achieve that number "if it is done with people of flesh and blood; that is, spontaneously, without coercion or pressure of any kind. However, I believe that the figure is realistic and that it will prevent the establishment of personal parties without doctrines or programs, which cannot respond to the country's need for economic and social development."

Does your group have a program, Samudio was asked. "Yes sir, and one which has been carefully studied by persons well trained in political, economic, social and cultural matters. In the course of the registration process, the program will be revealed to the country," he answered.

Asked what he had to say about rumored divisions within the Liberal Party, Samudio said: "The point is that there are parties in which one cannot give an opinion or express dissent. This does not occur in the Liberal Party, in whose directorate every member freely expresses his ideas and tries to have them prevail. The most edifying thing about liberalism is the right to debate, and we maintain that this system should be retained. We fully discuss problems and the decisions to be made and in the end we respect the opinion of the majority. This is how we practice democracy."

"The Democratic Revolutionary Party [PRD] is already involved in a full-fledged proselytzing campaign, a phase which we have called the phase of preregistration of members in order to comply with electoral law stipulations on the subject," newsman Adan Castillo Galastica, a spokesman for that budding party, told this paper. "Soon, within a very short time, all the basic documents of the organization will be in circulation in the republic. Those documents have been previously discussed by the party leadership at the initiative of the organizing committee. [paragraph continues]

DEFENSE MINISTER DENIES CHARGES OF TORTURE AGAINST DIM

PA081625Y Caracas Radio Continente Network in Spanish 1000 GMT 8 Jan 79 PA

[Text] Caracas--Defense Minister Maj Gen Fernando Paredes Bello has emphatically denied that the Military Intelligence Department (Direccion de Inteligencia Militar--DIM) makes use of torture during its investigations.

Referring to charges made against DIM officers in San Jose, Guarico Department, who were accused of torturing suspects, Minister Paredes Bello said such stories are often circulated to discredit the institutions entrusted with conducting criminal investigations or any other violation of the laws.

HERRERA ANNOUNCES OBJECTIVES OF GOVERNMENT PROGRAM

PA081310Y Caracas EL UNIVERSAL in Spanish 4 Jan 79 p 2-1 PA

[Report by Miguel Conde]

[Excerpt] During the initial orientation period of his administration, President-elect Dr Luis Herrera Campins will propose a set of changes in the political system that will make way for the promoter state [estado promotor].

Herrera Campins announced yesterday that during the first 6 months he will define the historical sense of his administration, adding that the first stage is invaluable to any administration.

The changes that the president-elect will no doubt encourage during that initial and invaluable stage will have an impact on the Venezuelan political system in the areas of citizen participation, social behavior and administration of justice. They will also be aimed at establishing "a government that will govern," the strengthening of Congress, the assumption by the state of effective responsibility, and new public controls.

The president-elect defined these objectives in his government program after noting that "the country is aware that the current exercise of democracy is not wholly satisfactory, mainly because of the weaknesses that it presents, the reduced participation of the people who actually register, and the multiple manifestations of social indiscipline that can be observed." It is for this reason, the program adds, that it is necessary to establish a government that governs based on a democracy of true participation.

Expanding on the reasons that lie behind the proposal for "a government that will govern," Luis Herrera's promised government initiative points out that "in our democratic system laws are disobeyed and this fosters indiscipline." To discourage such social indiscipline, Luis Herrera proposes the structuring of a democracy that fosters consensus, channels conflicts, and is capable of respecting rights and enforcing duties within a framework of social organization for public participation.

Luis Herrera also plans to reorganize the administration so that there is a clear line of responsibility and delegation of authority in the exercise of government on the one hand and a decentralization of presidential power on the other.

To define the state's responsibility in any damages it may cause either intentionally or through negligence, the president-elect will submit to Congress a bill on the juridical system of the administration which will establish this responsibility.

"The FRAMPO [People's Broad Front Party] will seek registration. The FRAMPO will seek registration with 30,000 members if the quota is maintained, or with whatever quota is set. We are optimists; we believe that in approximately 6 months the party will be able to meet the quota of 30,000 members for its legal recognition as a party," Renato Pereira told this paper on behalf of the People's Broad Front Party, which is presently being formed.

COLUMNIST SPECULATES ON ARNULFO ARIAS' ILLNESS

PA090223Y Panama City CRITICA in Spanish 8 Jan 79 p 8 PA

[From "Those Who Merit Comment" column by CRITICA Director Ruben Dario Murgas: "Panamenism Without Arnulfo"]

[Text] The unexpected interment of Dr Arnulfo Arias Madrid in the San Fernando clinic has unleashed the most heated comment regarding the health of the three-time former president of the republic.

Many said that he had to be hospitalized, while others maintained that he went for a checkup because of serious bronchopneumonia. The truth is that Arnulfo's followers are worried about his health. Because the Panamenist Party functions according to its director's personal whim, it is obvious that the party's fate will depend on the health of its highest leader.

Most young cadres in the Panamenist Party realize that because of his advanced age Arnulfo does not have much chance of reaching power. On the other hand, they are aware that Arnulfo's charisma is the guarantee that the party will be registered. Many directors in the Panamenist Party who realize that the party can be registered only with Arnulfo as its leader are worried because of Dr Arias' refusal to accept the rules of the game. Political observers feel that without Arnulfo the Panamenist Party would disband because it does not have a strong coherent leadership; and if it has not disbanded, it is because of its leader's strong personality, who made of Panamenism a party in his own image.

Thus, the division common to many parties has also reached the ranks of the Panamenist Party, whose survival depends on Arnulfo Arias' 80 years of age. The party's young members want a party, while the old ones are just waiting to take orders from the Arco Iris [Dr Arias' farm in Boquete] foreman. In the meantime, uncertainty about the party's existing only as long as its leader is alive is growing.

Gilberto Arias To Inherit Party

PA090224Y Panama City CRITICA in Spanish 8 Jan 79 p 8 PA

[From "Those Who Merit Comment" column by CRITICA Director Ruben Dario Murgas: "Gilberto With the 'Loot'"]

[Text] As proof that our analyses and comments are from the best sources and that we delve into the core of matters, we recently said that Gilberto Arias Guardia had emerged within the Panamenist ranks as the sole heir of the organization led by his uncle, Dr Arnulfo Arias Madrid.

It is evident that many did not agree, because of personal interests, that Gilberto will emerge as the heir of Panamenism.

But it is no longer a matter for the sagacious politician of the Arias empire to wait for favorable signs to inherit the party. As a good politician of the Florentine school, he has not stood still and many circles have learned that he is back in the country with the "loot".

For many Panamenists who have been "waiting in the wings" facing hard times for many years, Gilberto's money is a good sign and also definite proof that the old days of petty politics are still here.

LA REPUBLICA REPORTS BREAKDOWN OF 1979 BUDGET

PA051700Y Panama City LA REPUBLICA in Spanish 3 Jan 79 p 1 PA

[Text] A little over 29 million balboas has been earmarked for pay increases for public sector workers who earn less than 300 balboas a month and for medical and paramedical personnel and elementary school and high school teachers.

According to information obtained by LA REPUBLICA at the Ministry of Planning and Economic Policy this morning, the breakdown in central government spending in 1979 favors first the Education Ministry with 85 million balboas, followed within the "executive branch" by the Government and Justice Ministry with 42.8 million balboas; health with 38.2 million; public works with 17.4 million; agricultural development with 11.8 million; finance and treasury with 8.1 million; foreign affairs with 6.6 million; housing with 4.8 million; Office of the Comptroller General of the Republic with 4.6 million; commerce and industries with 3.7 million; Presidency of the Republic with 3.4 million; labor and social welfare with 3.3 million; planning and economic policy with 3.1 million and the Price Control Office with 712,400 balboas.

Three million seven hundred thousand balboas have been earmarked for the legislative branch--that is, the National Assembly of Corregimiento Representatives.

The judicial branch has received 2.7 million while the Attorney General's Office will receive 1.9 million balboas. The Electoral Tribunal received an allotment of 2.4 million balboas.

BRIEFS

SMALL INDUSTRY PROMOTION--The industrial section of the Panama National Bank will assign 7.5 million balboas this year for the promotion of small and medium industries in the country. Efforts will be made to spread the loans throughout the nation. The loans will vary from 20,000 to 600,000 balboas at 9-percent interest. [Panama City Televisora Nacional in Spanish 2315 GMT 4 Jan 79 PA]

EMERGENCY PLAN RECLASSIFICATION--The 23,000 emergency plan workers will be reclassified and integrated into the special community development plan. The General Directorate for Community Development will make the reclassification in the 51 government departments and the community boards. The majority of the workers will receive specific technical training for their jobs in the different departments. Other emergency plan workers will be integrated into craft work in small shops which will be established in different regions of the country. [Panama City Domestic Service in Spanish 2230 GMT 5 Jan 79 PA]

COSTA RICA

PRESIDENT CARAZO OUTLINES ECONOMIC MEASURES

PA061320Y San Jose Radio Reloj in Spanish 0104 GMT 6 Jan 79 PA

[Speech to nation by Costa Rican President Rodrigo Carazo--place not given; presumably live]

[Text] Costa Ricans: Upon taking power I made the firm commitment to correct the evils affecting the country in line with the responsibility inherent in the post with which the people honored me. In line with this commitment, I address you with absolute firmness.

Costa Rica lived for several years under conditions which were beyond its capabilities. [as heard] It enjoyed very high prices for coffee, but the situation was very poorly managed. Simultaneously, excessive credit for loans was permitted, and public expenditures increased in an unwise manner. All this affected purchasing power, and the costs of production were increased, as was the cost of living.

When we took over the government it was our obligation to take certain specific, immediate actions against the existent inflationary pressures. We endeavored to adjust the prices of certain products which, for electoral reasons, had not been adjusted by the previous administration and which, if they remained as they were, would bring ruin to producers and cause them to disappear from the market with serious social and economic consequences. In addition, we recommended a 12-percent increase in wages up to 1,200 colones, 10 percent for wages from 1,201 to 2,000 colones, and 5.8 percent for wages of over 2,000 colones. In other words, a wage scale was established which, without neglecting social justice, did not unleash inflation, which is the worst injustice. We believed from the beginning that, since the causes of the inflationary pressures in Costa Rica were simple, the formulas for correction would have to be simple. The phenomenon had been produced by high-cost or short-term foreign debts, fiscal deficits and large loan programs--all of which had produced the inflation with which we were afflicted, as well as serious defects in the balance of payments and in the cost of living.

We therefore applied simple formulas which would correct those defects:

1. In July 1978 the National Council of Foreign Financing and the Office of Financing of the Finance Ministry were established in order to centralize negotiations for loans for the central government and for institutions which require state guarantees in order to obtain financing. The result was the negotiation of $180 million [in loans]. With the negotiation of foreign loans being accomplished in a professional and organized manner, the country has already achieved savings of over 100 million colones. As far as the choice of banks and the terms of loans are concerned, the intervention of private intermediaries or officials who could benefit from commissions to the detriment of the country was eliminated. In effect, this council attends to the credit needs of several state institutions in order to achieve uniform and more favorable costs and conditions. To this end, a procedure similar to that of a public auction has been established in which, in order for the financing of an institution or project to be assigned, several top-ranked banks are invited to present competitive bids. This procedure safeguards the technical aspects and the moral order.

2. According to the control law, we established the bases for financial modernization that would lead to savings. These savings would be used for productive loans (?at) attractive interest rates. The result is evident--an increase in bank savings of 485 million colones in less than 60 days.

3. International reserves were diversified. At present these reserves consist of German marks, yen, Swiss francs and dollars, so that the fluctuations of the dollar do not have such a great effect on Costa Rica.

4. In these 8 months a policy of austerity and economy in public expenditures has been applied. We can report the result of this action, undertaken by the finance minister and me with the aid of the entire centralized public administration. In only 8 months of government we achieved savings [words indistinct] of the budget equivalent to 832.3 million colones in the form of budget allocations that were authorized but not spent. At the same time, greater efficiency in government was achieved.

In late 1978, at the request of the Economic Council we were visited by a consultative mission of the International Monetary Fund [IMF] which agreed with our assessment of the need for simple and effective solutions such as those which we had already been applying to solve the inflationary problems which Costa Rica has been experiencing for the past several years. The IMF mission agreed with us that, with the application of the plan drafted by the Finance Ministry in conjunction with the Central Bank, we could remedy the fiscal and monetary problems which cause the inflationary pressures. The two basic aspects of the plan are: 1) To achieve fiscal savings of from 800 million to 1 billion colones in the 1979 budget; 2) To establish this year an increase in total loans of 2.46 billion colones already approved by the Central Bank. Both of these policies are basic. In other words, they address the very roots of our problems and produce specific results to improve the national economy.

If in 1978 we have already achieved, through effort and austerity, savings of 832.3 million colones, it will be possible, with firmness and determination and without causing social or economic problems, to achieve what we propose for 1979. Even greater effort was needed since, when the government took office in May, the 1978 budget approved by the previous administration was already in its 5th month of application. Within a disorganized budget policy we could not, after June, (?allocate) basic allocations such as those corresponding to funds for projects, wage increases for public employees and servicing of the foreign debt. In this manner the government was able to meet its obligations, accelerate the execution of its programs and, at the same time, achieve the aforementioned savings of 832.3 million colones.

The aforementioned considerations, the announced goals and particularly the example of what was achieved by this government in 1978--as well as the austerity plan proposed for 1979 in which there is a commitment to save from 800 million to 1 billion colones--indicate to us that on the basis of determination, good example and austerity, it is possible to solve the serious problems with which public finances and our currency have been afflicted in these years. For this reason, since the government is determined to set an example and has demonstrated this practically, the commitment must be general.

The welfare of the country is not just the work of the government, but rather of all Costa Ricans. Therefore, fiscal economy obliges that we make a great sacrifice. The objective must be the common good, and not political interest. For example, employees earning over 5,000 colones in general will not enjoy a wage increase in 1979 and, to this end, the sums listed in the list of positions will be understood to be maximum wages. The same wages earned in 1978 will be paid, in conformity with Clause 41 of the 1979 budget and in line with an executive decree which we will publish immediately, unless any increase has been provided for in legal provisions which are binding on the executive branch. Another example: In authorized expenditures which directly affect my office, there will be a reduction of more than one-fifth--22 percent.

I take this opportunity to thank the executive presidents of the autonomous institutions for accepting the recommendation that I made at the end of December to not increase their salaries.

I am sure that this spirit of cooperation and social responsibility will be imitated and applied in all government branches and institutions. As the popular saying goes, we have to tighten our belts. Ultimately, we will all reap the fruits of this decision and national commitment.

The same policy applied to wages and the government budget must also be applied to prices. All measures are meant to help the national economy, improve public finances and avoid abuses. These are the monetary and fiscal measures that will be applied. Through them we will maintain the parity of the colon; that is, there will be no devaluation and we will improve our economy. This is one of the best ways to achieve social justice in the country. There is no sense in increasing salaries with a currency that is gradually devaluated because of erroneous fiscal and monetary policies.

I wish to take advantage of this chat with Costa Ricans to give you some other details directly related to the national economy. They are the following:

1. In order to avoid shopping trips abroad, we have decided to reduce taxes on articles such as electrical appliances, sports equipment, watches, radios, tape recorders, cameras, toys and other merchandise. We had planned to apply this measure in June 1978, but were unable to do so since many imports had already been ordered for December. Therefore, we are making it effective in January. The measure involves the reduction of taxes that we are able to effect through decree and begins legal steps for the modifications of the tariffs.

We are informing the chambers of industry and commerce through their presidents of this measure not only because they have always expressed their concern over this subject, but also because we want to have their cooperation so that the reduction of taxes will benefit the consumer. This will be achieved if the profits are moderate and just and if all abuses are avoided. In this as in many other cases, the economic decision must [words indistinct] the profit must consider the rights of the consumer. That is why we have also reduced the profit margin authorized to merchants. We are sure that in this way purchases that Costa Ricans make abroad will [henceforth] be made in Costa Rica.

2. In the past 2 years the price lists were not published or made known. This caused serious harm to the consumer. The government has decided to publish and publicize them and to enforce them. For this purpose, the 1979 budget drafted by this government includes an allocation for a larger number of inspectors who will wage war against all abuses and speculation. A system will be immediately established to permit consumers to present to the Economy Ministry the commercial receipts for their purchases so that the ministry can apply the consumer protection law.

3. Costa Rica is essentially an agricultural country. This is a reality that makes us proud. In the past, however, everything possible was done to raise the price of everything related to agricultural activity. There will be a change of attitude from now on. This government is willing to [words indistinct]. However, this objective is not achieved with mere words, but with action. Just as we have decided to lower the prices of various imported articles, therefore, we are reducing taxes on articles used for farming, such as shovels, machetes and other tools, herbicides, tractors and so on. The Central Bank has authorized a credit plan to promote agricultural production. The Central Bank has approved a broad credit plan for small and medium farmers with 8-percent annual interest. It has also set a maximum of 10-percent annual interest for agriculture, cattle raising and fishing.

4. The government's decision to reduce taxes on various articles to benefit the national economy, and particularly the consumer, has been reported to the Central American governments which participate in the Common Market. The economy minister has been instructed to convene an emergency meeting with his Central American counterparts so that the necessary contingency agreements can be reached to:

A) Safeguard the Common Market and protect the legitimate interests of the Costa Ricans; B) Immediately sign a document which will authorize the reduction of the taxes of the articles which we have decided; C) Establish measures which will control and [words indistinct]; C) [as heard] Adopt the measures necessary for solving the problems of the Common Market derived from Nicaragua's domestic crisis; D) Analyze the situation of transport in Central America; E) Analyze the [words indistinct] in the region; F) Urge compliance with obligations derived from Article 9 of the general treaty; Resolution 25.

5. The central government has decided, and recommends to all state institutions, that purchases abroad be replaced by purchases of articles produced in our country. This will benefit our balance of payments and Costa Rica's development.

6. Costa Rica is completely dependent on imported petroleum, so any increase in its price affects the national economy seriously and immediately. In order to visualize this problem let us say that the petroleum countries' decision to increase oil prices is equivalent, in the case of Costa Rica, to taking away in a single blow the annual output of between 4,500 and 5,000 hectares of bananas. We need an increase of that magnitude in banana production to compensate for the $28 million that the recent petroleum increase will cost the Costa Ricans in 1979. So that this increase will not affect the cost structure of enterprises and not harm national production and the consumer, we have decided to increase the price of gasoline more than that of diesel oil--the latter by only 10 cents a liter. The price of bunker oil will remain the same. We have acted in this manner because, as is known, diesel is an important cost factor. If the government's decision is to firmly stop the increase in prices in order to protect our economy and consumers in a year of austerity and sacrifice such as this one, it will be up to the users of diesel [fuel] to absorb the slight difference in price without transferring it to the final consumer.

In order to offset the slight increase in diesel [fuel] and its effect on transportation, we have decided to reduce taxes on tires, thus lowering the operating costs of buses, trucks, tractors, taxis and cars.

7. The Costa Rican oil refinery will finance educational and publicity campaigns for formulas to save fuel and to contribute to the improvement of urban traffic, which causes great loss of diesel [fuel] and gasoline in big traffic jams, particularly in central San Jose.

8. In order to counteract the effects in our balance of payments as a result of the increase in petroleum prices and to achieve economic development, a number of programs which are important for our progress are being carried out. They include: 1) Overall rural development; 2) Reforestation; 3) Agroindustrial development; 4) Banana development [words indistinct] renegotiation of the contract-law; and 5) Fishing development. Extensive details have been issued about these programs. Costa Ricans, in the months of 1978 that we held office, we put into effect measures to stabilize our economy. This year they will be intensified and will always be accompanied by firm determination to halt inflationary pressures whose effects would directly affect Costa Rica's social development. Thank you and good night.

EL SALVADOR

FARN INSISTS ON KIDNAP RANSOM DEMANDS

PA082325Y Paris AFP in Spanish 1939 GMT 8 Jan 79 PA

[Text] San Salvador, 8 Jan (AFP)--Armed Forces of National Resistance [FARN] guerrillas today refused to withdraw any of the conditions inposed for the release of three foreigners whom it is holding hostage.

FARN reaffirmed to a mediating commission composed or Archbishop of San Salvador Oscar Romero and others that the conditions imposed initially must be met for the release of two British and one Japanese subject whom they are holding. This was the guerrillas' reply to the mediating commission which had proposed for the release of the foreigners eliminating those conditions which the companies or the relatives of the kidnaped could not fulfill, not for lack of desire, but due to objective impossibilities. The kidnaped foreigners are British subjects Ian Massie and Michael Chatterton, manager and assistant manager of The Bank of London and Montreal in El Salvador, and Japanese Takakasu Suzuki, sales manager of a textile company jointly financed by Salvadoran and Japanese capital. The kidnapers are demanding money, the publication of manifestos in newspapers in El Salvador and the rest of the world, and the release of five political prisoners in El Salvador.

According to sources close to the commission, the mediating commission had requested the elimination of those demands which involve Salvadoran Government decisions; that is, the release of political prisoners and the publication of the manifestos in the country. The Salvadoran Government refuses to allow the publication of the manifestos and claims it does not have the political prisoners demanded by the guerrillas.

Hope for the release of the foreigners which arose last week when their relatives asked immigration authorities for exit visas for all three has evaporated with the hardening of FARN's position. However, Archbishop Oscar Romero said today that although the kidnapers are maintaining their demands, the talks are continuing. The archbishop also played down the importance of the death threats made against the commission by extreme rightist groups.

GUATEMALA

NEW AMBASSADOR TO PANAMA APPOINTED, NORMALIZING-RELATIONS

PA082157Y Panama City ACAN in Spanish 1858 GMT 8 Jan 79 PA

[Excerpt] Guatemala City, 8 Jan (ACAN-EFE)--The Guatemalan Foreign Ministry today announced the complete normalization of diplomatic relations with Panama by appointing Air Force Col Hector Rosales Salaverria as the new Guatemalan ambassador to Panama. The appointment made today culminates the resumption of diplomatic relations between Guatemala and Panama agreed upon on 28 August 1978 in El Salvador between the foreign ministers of the two countries, Rafael Castillo Valdez and Nicolas Gonzalez-Revilla respectively.

The new Guatemalan ambassador to Panama, Col Rosales Salaverria, was once Gen Omar Torrijos' personal pilot. His appointment has been interpreted here as a conciliatory gesture by President Gen Romeo Lucas Garcia toward the Panamanian leadership.

NICARAGUA

NATIONAL GUARD REPORTS SANDINISTS KILLED IN CLASHES

PA090200Y Managua Domestic Service in Spanish 2355 GMT 8 Jan 79 PA

[Communique No 2 issued by National Guard Legal and Public Relations Office on 7 January]

[Text] The Legal and Public Relations Office of the Nicaraguan National Guard reports that National Guard patrols pursuing groups of Sandinist communists who entered the country from the Republic of Honduras clashed with those groups in Los Limones Creek at 1300 today, 7 January, inflicting two casualties on them.

At 1700 on the same day at La Quezerita, three more members of the group were killed. The group through its unlawful activities had been terrorizing the peasants. The patrols captured FAL 7.62-caliber rifles, Masden 9-mm machineguns like those used by the Venezuelan and Panamanian armies, .30-caliber carbines and Garand rifles. There were no casualties among the patrols, which are continuing to pursue the groups.

[Signed] Col Aquiles Aranda Escobar, National Guard Legal Corps, head of the National Guard Legal and Public Relations Office.

FSLN DENIES REPORTED DEATHS OF 33 Guerrillas

PA082044Y Panama City ACAN in Spanish 1824 GMT 8 Jan 79 PA

[Text] San Jose, 8 Jan (ACAN-EFE)--A press communique issued here today by the Sandinist National Liberation Front [FSLN] denies a Nicaraguan High Command claim that 33 guerrillas were killed during actions waged in northern Nicaragua. Denying a statement made by Col Aquiles Aranda, spokesman of the Nicaraguan National Guard, the FSLN affirms that the 33 victims were peasants and not guerrillas. "The 33 persons killed whom the Somozist guard reported as guerrillas were none other than peasants of that area who are again the victims of terrorism cowardly and criminally unleashed by Somoza's guard," the FSLN affirms.. The communique also notes that "these are the results of bombings by Somoza's air force, which has increased its attacks on the area since November 1978."

The communique indicates that FSLN commanders German Pomares and Francisco Rivera (Ruben)--whose columns operate in Esteli, Nueva Segovia, Matagalpa, Jinotega and Madriz--have reported the deaths of approximately 30 soldiers and 5 guerrillas. Such is the number of casualties from battles waged in northern Nicaragua on 2 January 1979. Regarding the guerrillas who were killed, the FSLN notes that they were in charge of logistical and communications tasks in the El Tular area "and carried only revolvers and pistols." The FSLN communique also states that "the organization reports that one comrade was killed and another wounded in actions which occurred later. We reiterate that the operations carried out by the guerrillas have been of an offensive nature."

SANDINISTS ATTACK NATIONAL GUARD IN PENAS BLANCAS

PA082106Y Buenos Aires LATIN in Spanish 1746 GMT 8 Jan 79 PA

[Text] Managua, 8 Jan (LATIN)--A National Guard communique issued today states that a Sandinist group has launched a mortar attack on Nicaraguan customs installations at Penas Blancas on the Costa Rican border, interrupting vehicular and passenger traffic for several hours. According to the communique, the same group later attacked the National Guard, firing mortars from Nicaraguan territory in the Bahia Salinas area. No casualties were reported. The communique adds that two National Guardsmen who arrived at an auto repair shop in Leon seeking repair of their vehicle were machinegunned by unidentified assailants. Also, unidentified persons stole a taxicab in Managua last night. The cab was used later in the kidnaping of Somozist leader Leonel Antonio Leiva in northeast Managua. There have been no further reports on Leiva.

Agencies at Border Shut Down

PA081942Y Bluefields Radio Atlantico in Spanish 1800 GMT 8 Jan 79 PA

[Text] The current crisis affecting the country has prompted the cessation of operations at Agencias Vasalli, S.A. and Sucesores de Cesar Delgadillo, S.A., two import-export agencies in Penas Blancas near the Costa Rican border. Representatives of the two agencies said the current situation has prevented normal operations in view of the repeated shutdown of the Costa Rican border.

SANDINIST COMMUNIQUE REPORTS ACTIVITIES

PA090310Y Panama City ACAN in Spanish 0021 GMT 9 Jan 79 PA

[Text] Granada, Nicaragua, 8 Jan (ACAN-EFE)--A Sandinist Front (FSLN) guerrilla squad attacked La Calera Hacienda in this department in eastern Nicaragua today. It seized many rifles, shotguns and revolvers during the action. In a communique released in this city, the underground Sandinist organization says that a total of eight squads, including the "Trinidad Carballo," "Selin Schible," "Carlos Aguero Chavarria" and "Ricardo Avilez" squads, are operating in the department. In the communique the FSLN claims credit for the death of two paramilitary elements identified as Jose Benito Reyes and Perez Gallo.

It is presumed that one of the guerrilla squads carried out a military operation yesterday, Sunday, in the neighboring city of Masaya which was put down through the use of a Nicaraguan National Guard personnel carrier. No arrests, deaths or injuries were reported.

New Attacks Throughout Country

PA081850Y Panama City ACAN in Spanish 1601 GMT 8 Jan 79 PA

[Excerpt] Managua, 8 Jan (ACAN-EFE)--Violent clashes in this capital resulted in one dead and one wounded as the bloodbath in which Nicaraguan youth is engulfed continues.

Sandinist militants exchanged fire with the National Guard in the capital's populous eastern sector. The shootouts occurred in the Nicarao, 14 September, Bello Horizonte and Las Americas suburbs.

The youths who confronted the army in the 14 September suburb were armed with contact bombs and pistols. The National Guardsmen fired back with machineguns.

Unknown persons opened fire on a watchman at a supermarket in the Bello Horizonte suburb, leaving him for dead. A military patrol that appeared on the scene later on picked up the watchman who was in very serious condition. The aggressors had stolen the wounded man's weapon. Meanwhile, in Managua's southern rural areas, coffee plantations were attacked by youths who are alleged members of the Sandinist National Liberation Front [FSLN].

The list of farms attacked includes: Corinto, San Francisco, San Jorge and San Rafael. In San Jorge, unknown armed individuals stole the money used to pay the peasants who work picking coffee beans. The payroll money amounted to approximately 10,000 cordobas ($1,428). Several assailants wore masks and carried rifles with telescopic sights.

It was reported from Leon, in Nicaragua's west, that two National Guard collaborators (paramilitary) were killed on Saturday night. The collaborators were killed before the explosion of contact bombs was heard at the university.

FSLN guerrillas held up a branch of the Calley Dagnall Bank in Jinotega, in northern Nicaragua, on Saturday. They got away with 25,000 cordobas ($3,571).

According to a military report, the same group attacked the home of Alfredo Chamorro, where he operated a sugar agency [agencia azucarera] and went off with 20,000 ($2,857).

Another Sandinist group stole a car from Manuel Chamorro, a businessman, and held up a grocery store owned by Reinaldo Meza in Jinotega. After gagging and tying Meza, they forced him to turn over all the money and firearms he had.

OPPOSITION CONTINUES PLANS FOR 10 JANUARY DEMONSTRATION

PA081938Y Bluefields Radio Atlantico in Spanish 1800 GMT 8 Jan 79 PA

[Text] Managua--Opposition leaders have promised to continue plans for a demonstration in this capital on Wednesday, 10 January, even if the government refuses to grant authorization. The demonstration is being prepared to commemorate the first anniversary of the assassination of Dr Pedro Joaquin Chamorro, director of LA PRENSA, which triggered the current political crisis affecting Nicaragua.

Government Warns Against Disorders

PA090228Y Managua Domestic Service in Spanish 2355 GMT 8 Jan 79 PA

[Communique issued by Presidential Information and Press Secretariat, dated January 1979]

[Text] The Information and Press Secretariat of the Presidency of the Republic announces that the Government Ministry--in view of rumors that interested persons and subversive groups have spread saying that there will be disorders in Managua on the occasion of religious ceremonies scheduled in several churches in memory of Pedro Joaquin Chamorro--states that the authorities, in accordance with the constitution, will protect all citizens, as well as business, industrial and banking establishments. Property, freedom of work and social peace will be defended.

Authorities will not interfere in any way with any normal mourning activities which require proper respect. This ministry condemns any invitation to violence and hereby asks citizens to patriotically reflect in order to provide a climate of peace and calm needed for the full exercise of rights and duties of the government and people.

Managua, January 1979, Information and Press Secretariat of the Presidency of the Republic

FSLN REJECTS ALTERNATIVES OF SOMOZA OR COMMUNISM

PA090339Y Madrid EFE in Spanish 2338 GMT 8 Jan 79 PA

[Text] Mexico City, 8 Jan (EFE)--Sandinist leader Eden Pastora has rejected the idea that the Nicaraguan people should have to choose between Gen Anastasio Somoza's government or communism. In a document made public here today, "Commander Cero" said that this choice is "an enormous publicity campaign" for which he forecast failure. Pastora said in the document that Sandinism does not need dogma in its armed struggle and that it has the support of all Nicaraguans "without political or ideological exclusion or exclusivism."

The document said that the Sandinist struggle will continue until "peace, social justice and democracy based on respect for political ideas and freedom prevail" in Nicaragua. It said that "the best guarantee of a progressive future and stability" for Nicaragua is the "policy of ample democracy for the country on which the Sandinist National Liberation Front [FSLN] and the other anti-Somoza forces have agreed." The document concluded that "the ideological pluralism which characterizes our political and military organization is the best guarantee of our sincerity."

ATTACK ON CUBAN UN MISSION IN NEW YORK CONDEMNED

FL090046Y Havana Domestic Service in Spanish 0038 GMT 9 Jan 79 FL

[Text] Cuba has strongly condemned the dynamite attack on its mission to the international organization on 23 December last. In a letter to the UN secretary general released today, Charge d'Affaires Felix Pita Astudillo recalls that it was not the first time that the Cuban mission and its diplomatic personnel in New York were the victims of attacks. He emphasizes that in the face of a similar terrorist attack on 9 September last, U.S. Government spokesmen declared that the perpetrators would be sought and prosecuted. The letter adds that no attack or threat can prevent the Cuban delegation to the United Nations from performing its obligations. It also describes such attacks as an attempt to frighten the sovereign voice of our people at the United Nations.

UN SECRETARY GENERAL WALDHEIM PAYS OFFICIAL VISIT

Met by Fidel Castro

FL081234Y Havana Domestic Service in Spanish 1145 GMT 8 Jan 79 FL

[Excerpt] Our Commander in Chief Fidel Castro, first secretary of the PCC Central Committee, yesterday at the [Jose Marti International] Airport in Rancho Boyeros received Kurt Waldheim, secretary general of the United Nations, who arrived in Cuba for an official visit. Waldheim traveled accompanied by his wife and daughter and various UN officials on a flight from Jamaica. The UN secretary general is of Austrian origin and was elected to this position in 1971 and reelected in 1976.

The official reception was headed by Blas Roca, president of the National Assembly; Carlos Rafael Rodriguez, vice president of the Council of State; Joel Domenech and Jose Ramon Fernandez, vice presidents of the Council of Ministers; Isidoro Malmierca, minister of foreign relations; and other ministers and officials.

Tours Isle of Youth

FL081128Y Havana Domestic Service in Spanish 1100 GMT 8 Jan 79 FL

[Text] Kurt Waldheim, secretary general of the United Nations, accompanied by Commander in Chief Fidel Castro, president of the Council of State, has toured schools on the Isle of Youth where African students are studying. Also on the tour were Waldheim's wife and daughter and the rest of the delegation headed by Waldheim, who was also accompanied by Carlos Rafael Rodriguez, vice president of the Council of State; Isidoro Malmierca, minister of foreign relations; and Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation.

At the Samora Machel school of Mozambican students a boxing match was held between African and Cuban youth in honor of the illustrious visitors. After touring the installations of the school, Fidel stated: We are content with the advances made and we have a good impression of the school's organization. For his part Waldheim expressed his thanks for the welcome and showed his happiness at learning about this educational center. During their tour through the citrus areas where the 48 rural schools are located on the Isle of Youth, Fidel stopped the jeep to talk with students from the Vanguardia de la Habana school and the 28 de Enero school of Holguin Province students, wishing them success.

UN Sceretary General Kurt Waldheim yesterday afternoon arrived on the Isle of Youth, a few hours after his arrival in Cuba from Jamaica, for a 3-day official visit.

ROCA CHAIRS ELECTORAL COMMITTEE MEETING

FL082247Y Havana Domestic Service in Spanish 2230 GMT 8 Jan 79 FL

[Text] The National Electoral Committee has held a meeting chaired by Blas Roca, president of the People's Government National Assembly. The meeting dealt with preparations for the election of delegates to municipal assemblies on 8 April throughout the entire national territory. All committee members attended the meeting. These were Committee Chairman Armando Torres Santrayl, Deputy Chairman Jose Aranaburo, Secretary (Raul Rabi) and 14 other members, including Faustino Perez, member of the PCC Central Committee and deputy to the National Assembly.

The electoral process schedule, necessary equipment for the elections and organization of transportation and communications were announced at the end of the meeting. According to agreements reached, the provincial electoral committees must approve or disapprove the creation of proposed electoral districts before 20 January.

GUILLERMO GARCIA PRESIDES OVER PORT WORKERS MEETING

FL081218Y Havana Domestic Service in Spanish 1100 GMT 8 Jan 79 FL

[Text] The workers of the Nuevitas Port in Camaguey Province have received a message of congratulations from Commander in Chief Fidel Castro for their work done in 1978. The message was transmitted by Commander of the Revolution Guillermo Garcia Frias, member of the PCC Politburo, who presided over a national event held in recognition of port workers for their outstanding work done in 1978. Also attending the event were Antonio Enrique Lusson, member of the Central Committee and minister of transportation, and Lazaro Vazquez, second secretary of the PCC in Camaguey Province.

MACHADO VENTURA ADDRESSES ANAP SEMINAR

FL081213Y Havana Domestic Service in Spanish 1100 GMT 8 Jan 79 FL

[Text] Jose Ramon Machado Ventura, member of the PCC Central Committee Politburo and Secretariat, has called on the leaders of the National Association of Small Farmers--ANAP--to pay more attention to work done by the peasant groups. Machado Ventura's remarks were made at the closing in Havana yesterday of a national seminar held by the peasant organization. In another part of his remarks the member of the Politburo dealt with the internal activities, cadre policy and other aspects of ANAP activities which contribute to the successful fulfilment of the plans set for this sector.

SIMON BOLIVAR BICENTENNIAL COMMISSION CREATED

FL061837Y Havana Domestic Television Service in Spanish 1800 GMT 6 Jan 79 FL

[Text] The Council of Ministers Executive Committee has decided to create a national commemorative commission for the bicentennial of Simon Bolivar's birth for the purpose of drafting a program and directing the execution of events that should be held on that occasion. The commission will be headed by Raul Roa Garcia, member of the PCC Central Committee and vice president of the People's Government National Assembly. Its objective is to stress the American force of Bolivar's example, the universal value of his ideas and the eternal gratitude and respect of our people to one of the great precursors of the struggle against North American imperialism.

RAUL CASTRO RECEIVES VISITING DELEGATIONS

FL051317Y Havana Domestic Service in Spanish 1145 GMT 5 Jan 79 FL

[Text] Army Gen Raul Castro, second secretary of the PCC and minister of the Revolutionary Armed Forces [FAR], has held fraternal talks with members of the military delegations invited to the commemorative events of the 20th anniversary of the revolution's triumph. Participating in the event were Division Generals Senen Casas, FAR first vice minister-chief of general staff, and Abelardo Colome, FAR vice minister, both members of the Council of State, Vice Adm Aldo Santamaria, FAR vice minister-chief of the Revolutionary Navy, all members of the PCC Central Committee, and other FAR chiefs and officers. During the meeting the FAR minister amicably chatted with chiefs and members of the military delegations visiting our country at the invitation of the FAR Ministry to participate in the festivities marking the 20th anniversary of the revolution's triumph.

Army Gen Raul Castro also met with Col 'Ali Ahmad Nasir, defense minister of the People's Democratic Republic of Yemen, and Maj Daniel Lima Daio, defense minister of Sao Tome and Principe. These talks were held in a cordial and friendly atmosphere and during them, important matters of mutual interest were discussed.

ALMEIDA BIDS FAREWELL TO ETHIOPIAN COUNCIL LEADER

FL081941Y Havana Domestic Service in Spanish 1700 GMT 8 Jan 79 FL

[Text] PCC Politburo member Juan Almeida has bade farewell to Fikre-Selassie Wodgeress, secretary general of the Provisional Military Administrative Council of Ethiopia, who participated in the commemorative activities for the 20th anniversary of the triumph of the revolution. Others present at the farewell included (Rodolfo Puentes Ferro), deputy chief of the PCC Central Committee's general department of foreign relations; (Armis Fuentes), section chief in that department; and Ethiopian Ambassador to Cuba Aemero Wondimagegnehu.

ARMANDO HART ARRIVES IN BUDAPEST

FL081659Y Havana Domestic Service in Spanish 1502 GMT 8 Jan 79 FL

[Text] Armando Hart Davalos, PCC Politburo member and culture minister, today has arrived in Budapest, the capital of Hungary, at the head of a cultural delegation from our country. The delegation will participate in the Cuban cultural event which will begin tomorrow on the occasion of the 20th anniversary of the triumph of the revolution. At the airport the visitors were welcomed by Hungarian Culture Minister Imre Pozsgay and Cuban Ambassador Jose A. Tabares.

The Cuban cultural event in the People's Republic of Hungary is the first of the four scheduled for this year, which will be held consecutively in the following order: The USSR from 23 January to 1 February, Bulgaria from 5-12 February and Poland from 17-25 February.

PATTERSON MEETS WITH VISITING U.S. CONGRESSMEN

FL081840Y Kingston DAILY GLEANER in English 5 Jan 79 p 2 FL

[Text] A group of visiting U.S. congressmen were told by Deputy Prime Minister and Minister of Foreign Affairs the Hon. P.J. Patterson Wednesday that there was a need for the U.S. Congress to recognize the significant changes taking place in the Caribbean.

Mr. Patterson suggested that there was also a need for that body to come to grips with political realities in dealing with newly-independent Caribbean states, according to the API.

Minister Patterson's comments were made during his outline of the historical and political developments in the Caribbean to the congressmen, who had called on him at his office.

In an informal discussion with the group, Mr. Patterson was asked to comment on Jamaica's relations with Cuba. The minister said that Jamaica was a sovereign independent country with a foreign policy of nonalignment which rejected any notion that a country "is compelled to operate on a bi-polar axis."

With the exception of countries where there were basic denials of human rights such as South Africa and Zimbabwe, said Minister Patterson, "our policy has been to develop friendly and practical relations with all countries of the world. This has led to us diversifying trade and economic relations."

Cuba, the minister continued, has been Jamaica's nearest neighbour and the two countries have always had ties, such as the migration of Jamaicans in the 1920s to work on Cuban tobacco and sugar cane plantations.

Although both countries had different political experiences, he pointed out, both shared similar problems such as malnutrition, illiteracy and unemployment. All relations with Cuba since the establishment of diplomatic relations, he observed, had proceeded on the basis of mutual respect and non-interference in domestic policies.

Questioned about the multi-national trade talks in the General Agreement on Trade and Tariffs (GATT), Minister Patterson said that in the negotiations insufficient attention had been paid to products from tropical countries. Identifying rum as one such product, he said that tariffs on rum were three times as high as on whiskey from Scotland.

In the case of sugar, the minister noted that formerly, there was a sugar agreement between Jamaica and the U.S. and that the U.S. had been an important market for Jamaican sugar. However, the sugar act has been repealed and since then "we have been faced with increased tariffs and fees," and that "Jamaican sugar has never benefitted from the U.S. preferential tariff although we have qualified," he commented.

The congressmen are in Jamaica on a fact-finding mission, and yesterday also met with Prime Minister Manley and Finance Minister Eric Bell. They leave tomorrow for Cuba.

COLOMBIA

M-19 GROUP PLANNED TO KIDNAP U.S. AMBASSADOR

PA082211Y Paris AFP in Spanish 1626 GMT 8 Jan 79 PA

[Text] Bogota, 8 Jan (AFP)--It was reported here today that the "M-19" urban guerrilla group was going to kidnap the U.S., Chilean and Nicaraguan ambassadors to Colombia. The three diplomats headed a list of "probables" that military intelligence agents confiscated from a so-called "people's jail" last week in Bogota. Ambassadors Diego Asencio of the United States, William Barquero Montiel of Nicaragua and Alberto Cisternas Parodi of Chile were among the almost 50 persons who "were on the list" to be kidnaped. An army spokesman said today that the list was found in a suitcase which the urban guerrillas kept hidden in their den in southwestern Bogota. He also said that recently six Uruguayan citizens, who apparently were members of the former Tupamaro group, had been arrested here. The local conservative newspaper LA REPUBLICA said today that "they are all experts in explosives, attacks on military garrisons, bombings and urban kidnapings."

The government, however, has not revealed the names of the foreigners who have been arrested and are being held incommunicado at the Military Institutes Brigade installations. It was reported that two of the leaders of the dangerous and daring M-19 group have been identified. At the beginning of the year the group stole a huge supply of rifles from a military depot here. The three leaders are Rafael Arteaga Giraldo, an engineer who has not been found yet, and Helena de Isaac, who was in charge of the M-19's public relations. She was captured in a luxury apartment here. Investigations regarding the alleged head of the M-19 group, former opposition Congressman Carlos Toledo Plata, reveal that he fled to Venezuela.

DOMINICAN REPUBLIC

FOREIGN MINISTER SAYS SOMOZA PROPOSAL REJECTED

PA051726Y Buenos Aires LATIN in Spanish 1655 GMT 5 Jan 79 PA

[Text] Santo Domingo, 5 Jan (LATIN)--Dominican Foreign Minister Rear Adm Ramon Emilio Jimenez declared today that the international mediating commission on the Nicaraguan conflict has rejected a counterproposal by President Anastasio Somoza to the formula proposed by the mediating group. Jimenez said the commission, composed of Ambassadors William Bowdler of the United States, Alberto Obiols of Guatemala, and himself, upholds the original proposal to find a solution to the crisis in that Central American nation. The foreign minister considers the proposed formula to be the most adequate one for a peaceful and lasting solution. Jimenez is awaiting the arrival today of the other commission members to draft the final report on the mediating efforts.

The commission's proposal recommends that an international organization, which could be the Organization of American States [OAS], organize and conduct a plebiscite that will determine the future of President Somoza's government. The Liberal Party and the government of Somoza offered a counterproposal recommending that the plebiscite be organized by the government and supervised by the international organization. Jimenez said the mediating commission feels that if the government were to organize the plebiscite, the citizens would not be completely free to go to the polls. He said he had already received instructions from his government and is awaiting only the arrival of two other commission members from their respective countries to prepare the final draft of the report to be submitted to the OAS.